

WASHINGTON STATE DEPARTMENT OF REVENUE



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**Legislation Changes How Sales of Travel Trailers are Taxed**

**OLYMPIA**, Wash., Aug. 15, 2001 — To improve the fairness of the tax system, the Legislature has changed how taxes apply to the sale of used, fixed-location travel trailers.

Effective Aug. 1, the sale or transfer of "park model trailers" is subject to a real estate excise tax that generally ranges from 1.28 percent to 1.78 percent\* rather than a use tax of up to 8.8 percent.

The legislation affects trailers smaller than 400 square feet that have substantially lost their identities as travel trailers because they are fixed in a particular location.

In the past, buyers paid use tax on the purchase of park model trailers even when they were permanently installed on a site and consequently subject to property taxes. Some owners complained that it was unfair to charge use tax on these transactions when used mobile homes were subject to the lower real estate excise tax.

In response, Snohomish County Assessor Gail Rauch sought legislation to treat the transfers of such trailers as real estate transactions rather than vehicle sales. The real estate excise tax applies only if the vehicle has lost its identity as a travel trailer and is not going to be moved. If it will be moved, the use tax still applies no matter how long the trailer has been in a fixed location.

Potential buyers of these types of trailers should be aware that the seller is responsible for the real estate excise tax. If the seller does not pay the tax, it becomes a lien against the buyer's trailer.

For more information, contact Linda Smith at the Department of Revenue, (360) 664-2201.

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\* Four areas have higher REET rates: The cities of Clarkston and Asotin are 2.03 percent, San Juan County is 2.53 percent, and Friday Harbor is 2.78 percent.